



AGRICULTURAL PRESERVATION ADVISORY BOARD

Senate Bill 344 – State Agricultural Land Transfer Tax -Nonagricultural Use Exemption – Repeal

Good afternoon, I am Michael Jamison, Chair of the Montgomery County Agricultural Preservation Advisory Board, and as Chair I am tasked along with the other board members, with advising the County on the purchase of ag easements. Montgomery County has been recognized as a State and national leader in the preservation of farmland. Using a visionary functional master plan and consistent, dedicated funding, record amounts of farmland have been preserved.

The preservation programs in Maryland are funded by the collection of the State Ag transfer tax. Each certified county receives a portion of the State ag transfer tax and uses those collections to preserve farmland. When the economy took a downturn with the onset of the Great Recession, the collections of the State ag transfer taxes slowed, and farmland preservation programs suffered.

Another impediment to preservation is the use of MD Property Tax Code Provision 13-305(a). The provision allows developers to avoid paying the State ag transfer taxes on farms they buy to develop. Along with the Great Recession, this provision has had a profound impact on the ability for counties to preserve farmland.

Senate Bill 344, as proposed by Senators Zucker and Feldman, would eliminate the Provision 13-305(a) and would aid to increase the collection of State ag transfer taxes. When counties collect more State ag transfer taxes, they will be able to preserve and protect more farmland.

Maryland is projected to have 280,000 more residents by 2025. To provide access to locally grown food and rural open space to the increasing population, preservation is needed to keep farmland as farmland. Senate Bill 344 is legislation that will allow counties to meet the needs of an increasing population and preserve the rural heritage of Maryland.